GOVERNMENT OF INDIA
AGRICULTURE AND FARMERS WELFARE
LOK SABHA

UNSTARRED QUESTION NO:6088
ANSWERED ON:11.04.2017
Compensation for Crop Damage
Chandumajra Shri Prem Singh

Will the Minister of AGRICULTURE AND FARMERS WELFARE be pleased to state:

(a) whether crop insurance is being done to compensate for crop damage in the country for the last few years;

(b) if so, the facts thereof and the total amount of premium required to be paid under the crop insurance scheme during the year 2013-14 along with the total area of the sown land covered under the scheme;

(c) the details of the premium required to be paid during the year 2016-17 and the total area of the sown land brought under the scheme; and

(d) the details of the percentage of hike in premium rate registered during the said period?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND FARMERS WELFARE

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(a) to (d): Different Government sponsored crop insurance scheme have been under implementation in the country since 1985 to compensate insured farmers for crop damage. During 2013-14, an umbrella scheme of National Crop Insurance Programme (NCIP) was introduced which had three component schemes namely, Modified National Agricultural Insurance Scheme (MNAIS), Weather Based Crop Insurance Scheme (WBCIS) and Coconut Palm Insurance Scheme (CPIS). In addition, National Agricultural Insurance Scheme (NAIS) which was to be withdrawn after implementation of NCIP, was also allowed to be implemented on request, by some States till 2015-16. Thereafter, from Kharif 2016, the then extant schemes were substituted with Pradhan Mantri Fasal Bima Yojana (PMFBY)/Restructured Weather Based Crop Insurance Scheme (RWBCIS). CPIS continued to be implemented and Unified Package Insurance Scheme (UPIS) was launched on pilot basis in 45 districts.

During 2013-14, NCIP operated on actuarial premium regime with premium subsidy upto 75% of premium. Farmers however, had to pay only upto 6% premium. Under NAIS , which was also under implementation in 2013-14, flat premium rates for normal coverage of food and oilseeds crops, ranged between 1.5% to 3.5% of sum insured and actuarial rate of premium were charged in case of annual commercial/horticultural crops and in case of food and oilseed crops if farmer opted for sum insured/indemnity level higher than that of normal. 10% premium subsidy was available only for small and marginal farmers. Further, even within the actuarial premium rate for farmers there were variations from area to area and crop to crop depending on the risk. During 2013-14, 427.49 ha. area was covered under aforesaid crop insurance schemes.

During 2016-17, under PMFBY and RWBCIS the premium on actuarial basis continued. However, the premium rates to be paid by farmers have been reduced immensely and are maximum 1.5%, 2% and 5% for Rabi food & oilseed crops, Kharif food and Oilseed crops and annual commercial/horticultural crops respectively and the balance premium is subsidized by the Government, shared equally by both Centre and States. Tentative coverage of area during 2016-17 is 511 lakh ha.
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